

Description of the Current Financing System for Behavioral Health Services

In Michigan, behavioral health prevention, early identification, treatment, and recovery support systems are the primary responsibility of the state's mental health and substance use disorder services authorities, which are collectively known as the Behavioral Health and Developmental Disabilities Administration (BHDDA). BHDDA is located within MDHHS. The Medical Services Administration (MSA) is also located within MDHHS and functions as the State Medicaid Agency. MSA's primary responsibility is oversight of Michigan's Medicaid program. MSA manages comprehensive physical health services, inclusive of outpatient mental health, for individuals with mild to moderate mental health needs through Medicaid Health Plans (MHP) that contract with MDHHS.

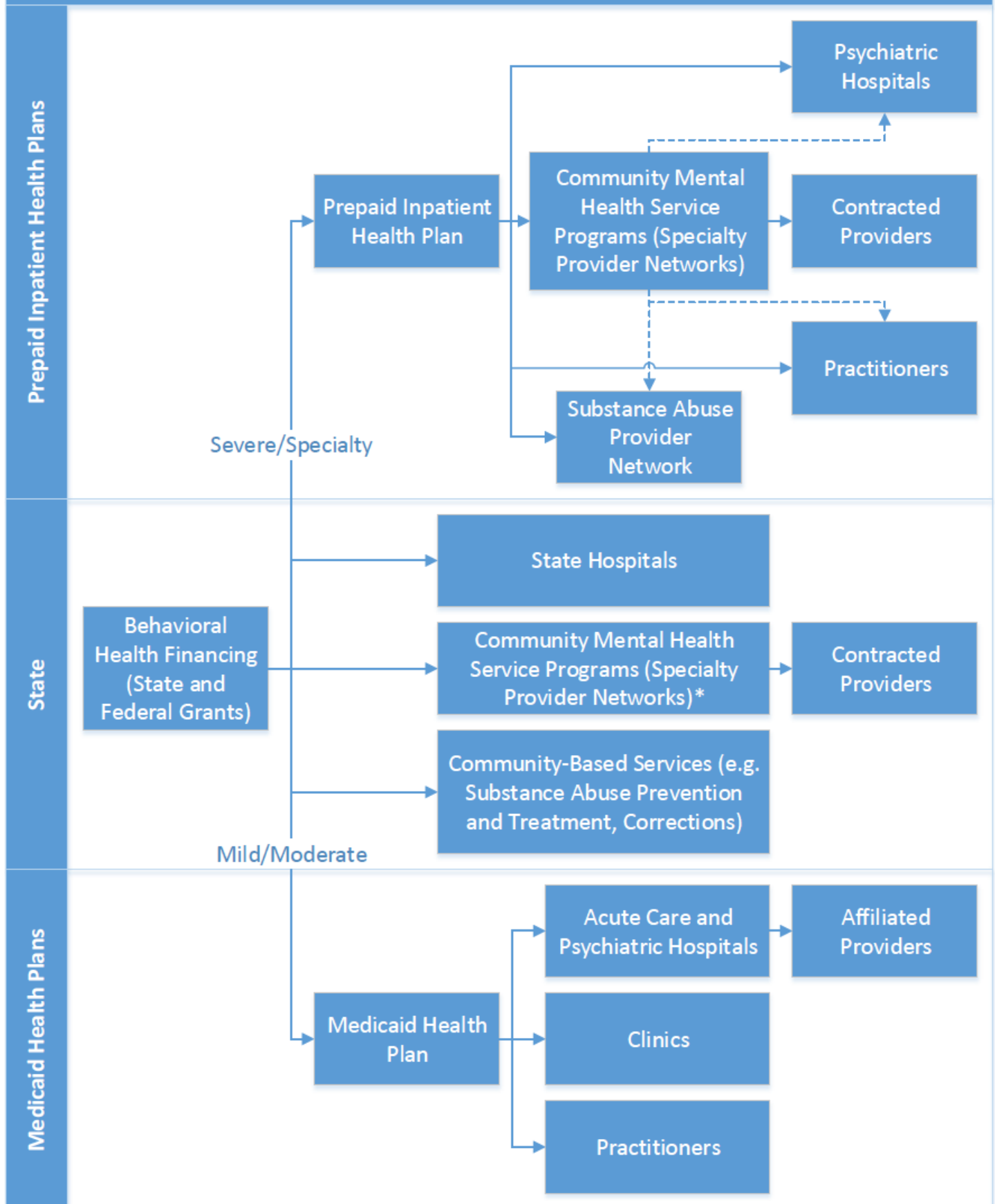
BHDDA, which includes the Bureau of Community-Based Services, is responsible for administration of state substance use disorder (SUD) appropriations, the Substance Abuse Prevention and Treatment Block Grant, Mental Health Block Grant, and Medicaid-funded specialty services and supports. BHDDA carries out responsibilities specified in the Michigan Mental Health Code and the Michigan Public Health Code. BHDDA, in partnership with MSA, also administers the Medicaid specialty services benefit for people with intellectual/developmental disabilities, adults with serious mental illness, children with serious emotional disturbances, and individuals with substance use disorders.

Public behavioral health services in Michigan are delivered through county-based Community Mental Health Services Programs (CMHSPs), which are public entities that are created by county governments to provide a comprehensive array of mental health services to meet local needs regardless of an individual's ability to pay. CMHSPs provide Medicaid, state, block grant, and locally funded services to children with serious emotional disturbances, adults with serious mental illness, and children and adults with intellectual/developmental disabilities. These services are either provided directly by the CMHSP or through contracts with providers in the community. Some CMHSPs also contract for direct provision of outpatient and other substance use disorder treatment services (residential, detoxification, and inpatient rehabilitation).

CMHSP's contract with Prepaid Inpatient Health Plans (PIHP) which, on behalf of MDHHS, serve as the state's publicly-operated managed behavioral health system for Medicaid-funded behavioral health specialty services and supports. PIHPs are also the responsible entities for directly managing Substance Use Block Grant funding and local substance abuse funding. Ten regionalized PIHPs operate throughout the state and contract directly with MDHHS.

Services for individuals with mild to moderate mental illness are covered by Michigan's MHPs separate from the PIHPs. MHPs have developed a network of private providers to serve the needs of those with mild to moderate behavioral health problems. Mild to moderate behavioral health services are a benefit that is provided as part of the contracting process for Medicaid health services, including physical health services, by MDHHS.

Diagram of Behavioral Health Financing System in Michigan



*Includes local funding